

FOOD AND HOSPITALITY MARKETING GUIDE

Strategies for Success

**Morale, Welfare and Recreation Support Activity
3044 Catlin Avenue
Quantico, VA 22134-5099**

PCN 100 013459 00



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
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FOREWORD

1. PURPOSE

NAVMC 2770, Food and Hospitality Marketing Guide, provides food and hospitality managers with information on marketing and program planning. The marketing process, which has been used successfully by both commercial industry and non-profit organizations, can help ensure patron acceptance of our Morale, Welfare and Recreation (MWR) activities and services.

2. CANCELLATION

NAVMC 2770 of 12 Mar 84.

3. INFORMATION

a. This NAVMC provides technical information on the planning and marketing process for food and hospitality activities, and shows how analysis can help management enrich the quality of programs.

b. This NAVMC should be used by both food and hospitality and marketing personnel for designing and implementing programs. Marketing of the food and hospitality program is the responsibility of both the food and hospitality and the marketing staffs. These two branches should work together to coordinate and complement the overall MWR program.

3. CERTIFICATION

Reviewed and approved this date.

A handwritten signature in black ink, appearing to read "J R Joy", is positioned above the printed name.

J. R. JOY
By direction

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INTRODUCTION

Marine Corps food and hospitality activities are changing. The loss of appropriated funds, the phase-out of military club managers, and a variety of operational problems have impacted the profitability of Marine Corps food and hospitality activities. Combined with today's competitive market and environment, change and more businesslike practices are necessary for food and hospitality activities to remain profit generators. This change, however, is our opportunity to improve the activities and our Marines' quality of life.

One effective way to become more businesslike is to practice the marketing discipline. This Food and Hospitality Marketing Guide is a "how-to" guide to marketing, developed especially for food and hospitality managers. An overview of marketing is provided, as are fill-in-the-blank forms for a marketing plan to help managers develop a plan tailored specifically to their activity. Upon completion, managers will have a clear, concise picture of their business, and a detailed plan of action to help increase activity profitability.

CHAPTER 1: MARKETING OVERVIEW

What is Marketing? Marketing is every kind of contact an activity has with potential patrons which brings them into an activity, satisfies them, and keeps them. Marketing is an on-going, patron-driven process that requires determining patron needs and desires and then delivering programs and/or services to meet those needs and desires.

The 4 P's of Marketing

To provide your patrons with the product or program they desire, you must consider the marketing mix, or the four "P's" which are the basic functions of marketing --product, price, place, and promotion.

PRODUCT

A product may be defined as a thing produced by an action, operation, or labor; a result. A product should include a set of intangible, psychological attributes as well as the tangible end product. Some examples of intangible attributes are convenience, taste, and satisfaction to the customer. Your goal should be to offer the product that gives your customers their desired product attributes and level of quality.

PRICE

Price is the value assigned to something bought, sold, or offered for sale. The value must include the way a market responds to price. To determine the best price, you can rely on one or both of these two methods: cost-plus and/or demand-oriented.

The **cost-plus method** requires a knowledge of various types of costs: fixed costs, variable costs, and total costs. The **demand-oriented method** requires knowledge of this data and knowledge of what your market is willing to pay for your product. You assign the price at which your customers will purchase your product.

PLACE

Place, in marketing terms, encompasses distribution channels and the method used to distribute your product. You must distribute (sell) your product in the areas where there is demand for it. Your product should also be available when it is desired. An example of "place" is distributing hamburgers in a restaurant and not in a department store.

PROMOTION

You can conduct a great market analysis, develop the best product, and set the right price; but if customers are not aware of your product, all your efforts are in vain. Promotion is the process of informing customers of availability and convincing them to buy. To state this more simply -- promotion is telling and selling.

Marketing Functions

Food and Hospitality managers must become more scientific and businesslike in their methods to meet the objectives of satisfying patron's needs and profitability. Practicing the functions of marketing will help reach these objectives.

The functions of marketing, which will be addressed separately throughout this NAVMC, include:

- Marketing Research, the primary tool for determining the true needs and desires of patrons.
- Promotion, for communicating to patrons, which includes advertising, public relations, publicity, and selling.
- Marketing Planning, provides a logical, business-based sense of direction for your activity.

Food and hospitality managers must realize that patrons have numerous options available to them during their disposable time, and MWR is in competition for that

time. In other words, the base restaurant is in competition with more than other off-base restaurants. The marketing process provides management with specific information about the patron and non-patron. It is the information that allows management to target specific groups towards specific programs.

The marketing process provides the data for planning program objectives; i.e., hours of operation, number of employees, types of equipment needed, patron likes and dislikes, etc. Above all, by using marketing principles, management can promote the benefits of patronizing the activity. When the patron needs correlate with benefits and the perceived value of participation, the potential for increased usage exists.

CHAPTER 2: MARKETING RESEARCH

Managers can no longer just open the doors to a facility and expect patrons to flock in. Numerous surveys have repeatedly identified that it is not unusual for our MWR patrons to willingly pay more for an off-base service or activity, even when the same service is offered on base.

Historically, a major problem for MWR is that programming has often been a management decision. That is, management decides what activities to offer, hours of operation, etc., instead of basing program decisions on the wants and needs of the patron. A good example is the selection of entertainment or type of music offered in the club. In many instances "someone" in MWR will make the decision to offer whatever their preference is, without any input from patrons. At showtime, the club is only half full and the organizers cannot understand why. Formal surveys or informal questionnaires, in addition to analysis of past usage data, may have pointed out that the majority of patrons wanted rock n' roll instead of Rap. Unfortunately, this type of planning and analysis was not used when management selected the band or D.J. Although the band may be excellent, if it is not what the patrons want, the performance may be canceled for lack of interest.

Market research will help identify your patron's needs and desires. Research methods include questionnaires, formal surveys, participant comment cards, focus groups, and informal observation. Once the decision is made to conduct research, the first step is to determine exactly what type of information is needed. Sample question areas are:

- Who are the current users of the facility? (i.e., rank, gender, live on or off base, household size, income)
- When do the majority of the patrons use a specific facility? (which day of the week and what time of day)
- What types of programs do the majority of patrons desire? (active or passive)

-
- Why does the patron participate? (benefits of program)
 - What are the users' attitudes toward programming? (satisfied versus unsatisfied)

Research Methods

There are numerous methods available to management for conducting marketing research. Some of the methods are ongoing processes while others are for a specific length of time. The more familiar techniques include:

Asking: Patrons and potential patrons should routinely be asked about their likes, dislikes, desires, and needs concerning the food and hospitality program. MWR personnel should seek information from both users and non-users. Many civilian-sector restaurants, clubs, and hotels make calls to their patrons to find out their feelings about services offered.

Observing: The employees and activity manager should observe patrons. Observation can provide many clues about levels of satisfaction and usage.

Suggestion Boxes: The suggestion box is a useful and effective management tool if used correctly. The boxes should be located in high traffic areas, must be well maintained, and have paper and pencils available. To further elicit patron participation, patron comments should be acted upon and the action publicized.

After-Action Reports: Evaluating after-action reports received from activity and program managers can be helpful for planning future activities. By preparing in-depth reports, mistakes can be avoided and new personnel will not have to reinvent the wheel each time a program is offered. Historically, after-action reports have helped in assessing trends and predicting future programming needs.

Questionnaires: There are two types of questionnaires, informal and formal, that can elicit vital information from patrons.

Informal Questionnaires: These surveys can be accomplished on the spot (intercept interviews) and do not utilize the scientific method. Informal questionnaires should be kept as short as possible (under 10 questions) and are meant to be given to patrons while they are participating in an activity or shortly thereafter. They should not cause the patron any inconvenience.

Although an informal questionnaire does not provide scientific data, it does provide information about the patron's attitude towards the program. Furthermore, if this survey is accomplished "on the spot" the information gained from the patron is timely and accurate because the experience is still vivid in the patron's mind. Specific trends are also easily noted if the information is analyzed immediately.

Question Styles

There are two styles of questions that can be utilized in the informal questionnaire, open ended and closed ended. Open ended questions allow the respondent to write a complete response to a question. The problems associated with this type of question are:

- The response may be difficult to read.
- The responses can be very subjective and may not really address the question.
- The responses can be time consuming to read and analyze.

Examples of open ended questions are:

- How did you learn of this activity?
- How can this activity be improved?

Closed ended questions limit the answer of the respondent. The selection of available answers addresses only those areas in which management is interested in gathering information. The answers are more objective and do not require elaborate interpretation. Closed ended questions are also more easily cross-tabulated to other information gathered in the questionnaire.

Examples of closed ended questions are:

* How did you learn about {this activity}?

☐ base paper ☐ flyer ☐ friend ☐ word-of-mouth
☐ other

* How can we improve?

☐ different hours ☐ better menu choices ☐ trained
employees ☐ better facility ☐ other

Formal Questionnaires: These surveys use the scientific method for gathering data. This type of survey is more involved and longer in length allowing for cross-tabulation and comparison of answers.

Like the informal questionnaire, the formal survey questionnaire must have a specific purpose and provide information relating to that purpose. When establishing identifiers, such as rank and sex, the secret is to keep it as simple as possible -- especially if the tabulation of responses is done manually. Closed ended questions should be utilized in a formal questionnaire.

Examples of closed ended questions establishing identifiers:

• Are you:

☐ male ☐ female

• Your rank is:

<input type="checkbox"/> E1 - E3	<input type="checkbox"/> WO
<input type="checkbox"/> E4 - E5	<input type="checkbox"/> O1 - O3
<input type="checkbox"/> E6 - E9	<input type="checkbox"/> O4 - O10

-
- Do you reside?
☐ off base ☐ on base

An example of a Food and Hospitality Survey follows. This is a sample only and not to be used unless first tailored to your specific research objective.

Food and Hospitality Survey

Your MWR Food and Hospitality branch wants to better serve you. Please tell us about your food and beverage preferences and give your opinion about the base restaurant, snackbars, and clubs. Your input is appreciated and your answers are confidential.

Please tell us about yourself.

Gender:

☐ Male ☐ Female

Marital Status:

☐ Married
☐ Single

Status:

☐ Active duty
☐ Retired
☐ Family member
☐ Civilian employee

Branch of Service:

☐ Marine Corps
☐ Navy
☐ Other

Pay grade or civilian equivalent: (self or sponsor)

☐ E1 - E3 ☐ WO1 - CWO4
☐ E4 - E5 ☐ O1 - O3
☐ E6-E9 ☐ O4 - O10

Do you reside:

☐ off base ☐ on base

1. Please rank the following types of food according to how frequently you dine out for them. Placing a "1" next to the one you dine out on most frequently, "2" next to your second most frequent choice, and so on to "8."

_____ Hamburgers	_____ Mexican
_____ Chinese	_____ Pasta
_____ Sandwich	_____ Chicken
_____ Pizza	_____ Other (please specify)_____

2. Rank the following types of food service from 1 to 6 for both lunch and dinner, with "1" being your favorite, "2" your next favorite, and so on to "6."

	LUNCH	DINNER
Self serve/buffet	_____	_____
Cafeteria	_____	_____
Order and pick up	_____	_____
Table service	_____	_____
Fine dining	_____	_____
Delivery	_____	_____

3. How often do you dine away from home for breakfast, lunch, and dinner? (Place one checkmark under each column that corresponds with your frequency of dining out.)

	BREAKFAST	LUNCH	DINNER
More than once a week	_____	_____	_____
Once a week	_____	_____	_____
Every 2 - 3 weeks	_____	_____	_____
Once a month	_____	_____	_____
Every 2 - 3 months	_____	_____	_____
Annually or less	_____	_____	_____

4. How often do you purchase take out or have food delivered for breakfast, lunch, or dinner? (Place one checkmark under each column.)

	BREAKFAST	LUNCH	DINNER
More than once a week	_____	_____	_____
Once a week	_____	_____	_____
Every 2 - 3 weeks	_____	_____	_____
Once a month	_____	_____	_____
Every 2 - 3 months	_____	_____	_____
Annually or less	_____	_____	_____

5. Rank the top three types of music you prefer. Place a "1" next to your favorite, "2" to your next favorite, and a "3" next to your third choice.

Hard rock	_____	Soul	_____
Top 40	_____	Country	_____
Dance	_____	Jazz	_____

6. How satisfied are you with your base restaurant's: (Circle the appropriate abbreviation on each line.)

	Very Satisfied	Satisfied	Neutral	Somewhat	Not Satisfied
Service	VS	S	N	SS	NS
Quality of food	VS	S	N	SS	NS
Menu variety	VS	S	N	SS	NS
Atmosphere	VS	S	N	SS	NS
Catering	VS	S	N	SS	NS
Value for the price	VS	S	N	SS	NS
Family orientation	VS	S	N	SS	NS
Overall	VS	S	N	SS	NS

7. How satisfied are you with your base club's: (Circle the appropriate abbreviation on each line.)

	Very Satisfied	Satisfied	Neutral	Somewhat	Not Satisfied
Quality of food	VS	S	N	SS	NS
Service	VS	S	N	SS	NS
Menu variety	VS	S	N	SS	NS
Atmosphere	VS	S	N	SS	NS
Entertainment	VS	S	N	SS	NS
Catering	VS	S	N	SS	NS
Value for the price	VS	S	N	SS	NS
Family orientation	VS	S	N	SS	NS
Overall	VS	S	N	SS	NS

8. How satisfied are you with your base snackbars: (Circle the appropriate abbreviation on each line.)

	Very Satisfied	Satisfied	Neutral	Somewhat	Not Satisfied
Quality of food	VS	S	N	SS	NS
Service	VS	S	N	SS	NS
Menu variety	VS	S	N	SS	NS
Atmosphere	VS	S	N	SS	NS
Catering	VS	S	N	SS	NS
Value for the price	VS	S	N	SS	NS
Overall	VS	S	N	SS	NS

9. Comments or suggestions? _____

Thank you!

Developing and Planning a Survey

When developing and planning a survey you must consider the following:

Purpose: It is extremely important to clearly define the purpose of the survey. If this process is overlooked at the outset, the survey will be directed at vague goals, and the information collected will probably be inadequate for the command's purpose. Only by making a clear purpose statement can questions be thoroughly developed and analyzed.

Design: The survey questions should be designed to provide information relevant to program goals and objectives. Questions should be developed to help the command find answers which confirm or deny assumptions made about patrons' actual use and/or attitudes.

One method of designing the questionnaire utilizes the focus group interview. A focus group usually consists of 6-12 individuals brought together at one place to discuss a topic of interest. When the focus group begins, a moderator provides a brief comment on the purpose of the meeting, and suggests a topic to open discussion. After that, the moderator intervenes only when the discussion gets off track. The main value of a focus group interview is that it provides insight and information on patrons' attitudes that can be used for developing specific questions in a survey.

Pretest: Before a questionnaire is ready for distribution, it needs to be pretested under field conditions. No questionnaire is so good that improvements cannot be made. The people used in a pretest should be similar to those who will be questioned during the survey.

Those persons responsible for implementing and reviewing the pretest should ensure that questions are clear and have the same meaning to the test participants as they do to those preparing the survey.

Some questions may need to be improved as a result of the pretest. If there is any doubt about the wording of any questions, alternative wording should be prepared and respondents asked to respond to the different phrasing. As a result of the pretest, some questions may need to be eliminated from the questionnaire, others added or modified.

Sampling Size: An entire population does not have to be surveyed to obtain valid data. Valid data can be captured by surveying just a portion of the population, and still be representative of your population's opinion. This portion is called a sample.

The necessary sample size depends on population size, and both desired Accuracy and level of confidence. First, identify the entire population You wish to survey. To discover this population number, some possible contacts are your MWR Marketing Department, Personnel Services Officer, Manpower Section, Personnel Administration, or similar office.

Confidence levels of 90 or 95 percent are standard for market researchers, and + or - 5 or 6 percent are acceptable accuracy factors. A 90 percent confidence level and + or 6 percent accuracy level will require the smaller sample. Although there is greater margin for error, surveying fewer people can save time and money, so you must decide which is most important to your research project. Your Marketing Department can help you determine the necessary sample size.

The return rate for surveys varies with the type of procedures used. For example, the mail-back procedure normally averages a 50 percent return rate. Therefore, for an installation having a military population of 4,000 -- 700 surveys should be distributed to ensure that 350 (90 percent level of confidence) are available for tabulation.

Selection of Respondents: Another phase in the planning of the survey process is the selection of respondents for the questionnaire. The selection of respondents, or sample, should be objective so that individuals are chosen strictly at random. The selection procedures are as follows:

- (1) Assemble a list of Marines at the command.

- (2) To support the simple random sample process and have the least possible amount of bias, use social security numbers for personnel selection if possible. For example, if the base population correlates to a random sample size of 350, based on the average 50 percent return rate, double this figure (350×2) to ensure that 350 of the 700 surveys are returned. Therefore, 70 people should be selected whose last number ends in 0, 70 whose last number ends in 1, 70 whose last number ends in 2, and so on up to 9. ($10 \times 70 = 700$)

Do's and Don'ts in Developing a Questionnaire

When the questionnaire is being designed, the format of the data should be considered. The survey must provide usable information in a workable form. Other guidelines to consider are:

- Use good, simple English in preparing questionnaires.
- Prepare short questions.
- Write each question as a complete thought.
- Ask about only one matter in each question.
- Do not use biased or leading questions.
- Use only questions that contribute to the questionnaire's purpose.
- Arrange questions with similar subject matter together.
- Avoid questions concerning intimate family life, politics, or religion.
- Provide a removable comment sheet at the end of the questionnaire.
- Use closed ended questions for easy tabulation.
- Have an introductory statement either in the form of a letter, memorandum, or forward in the questionnaire, explaining the purpose and importance of the survey, and guaranteeing confidentiality.
- Include instructions with each questionnaire.
- Conduct a pretest of the questionnaire.

Distribution: There are numerous methods available for distributing a survey. The most common method used is the installation distribution system. Once each respondent has been contacted in this way, have those selected meet at a central location, such as the base theater, for group administration of the questionnaire.

The mail back procedure is an alternative form of distribution. Data Collection should be accomplished as soon as possible. The longer the survey is out, the less chance it will be filled out.

Analysis

The analysis of the tabulated data is an important step in determining performance related to patron's usage, attitudes, and needs. It is important that management recognize that indicators of performance are related to the overall effectiveness of the special services program, i.e. who uses certain facilities, when, what trends can be noted, etc.

For most surveys, the technical data should cross reference usage, attitudes and needs to certain identifiers, which should be established when determining the purpose of the survey. The following are examples of identifiers: rank, gender, marital status, and housing location.

When analyzing the tabulated data, therefore, management can select target groups and find immediate answers to specific questions. Through the analysis of each question, specific trends can be determined. By identifying trends of specific groups, management can use survey information to assist in forecasting specific program requirements. For example, if a survey reveals that the majority of an activity's users are 2nd Lieutenants to Captains, and they want the activity open on Friday evenings, management should correlate this indicator to the actual hours of operations and adjust the hours to meet the needs of the patrons.

The development of yearly program goals and objectives, both short and long range, should utilize all program indicators of performance. Survey results should play an important part in annual program analysis, forecasting program and resource requirements, and developing future programs.

Analysis allows management to know users by rank and gender and how often they use the facility. If this survey is a probability type, using the random selection process, having a 90 percent reliability factor, the breakout of each demographic subgroup represents all other military personnel of the same rank and sex on the installation. Management can assume, with a 90 percent reliability, that the same user rate exists among those individuals not surveyed.

As mentioned, the analysis of informal questionnaires with open ended questions is more difficult since the majority of responses are different and more subjective in nature. Furthermore, the informal survey is not representative of the population on the installation -- the responses only represent the individuals surveyed. But, the information is still a valid management tool and does provide on-the-spot information about a specific user group.

CHAPTER 3: PROMOTION

Promotion is the process of communicating between your activity and your eligible patrons, the media, other agencies, your command, your management, and staff. Promotion consists of informing, persuading, and influencing the patron. It increases awareness and understanding and allows patrons to become more knowledgeable and thus more discriminating. Through promotion, you can inform patrons of the benefits your activity offers, and how your activity is distinctively different from other similar establishments.

Why is promotion important? While we may assume that word-of-mouth is the way the majority of patrons find out about MWR activities, it is nonetheless important that certain methods be used to provide first-hand information. The assumption regarding word-of-mouth, however, may be flawed. On most military installations the physical distance, social structure, and psychological perceptions of MWR may create barriers that often cannot be changed by word-of-mouth alone. Low quality brochures or flyers give the impression that management really doesn't care about image, thereby creating a negative impression toward the program.

To make promotion decisions, you should cover at least four areas:

- (1) define the product characteristics
- (2) establish promotion objectives
- (3) determine the nature of the message, including timing and frequency
- (4) determine the promotion-mix patterns which will effectively and efficiently deliver the message. By systematically approaching this decision process, your chances to maximize success will be increased.

Food and hospitality and marketing managers, **working together**, can develop the most successful promotion and communication program. A number of promotional methods should be used, and to be effective, promotions must be constantly repeated. In the commercial sector, a message is repeated at least six times before the individual is motivated to either visit a hotel or go to a restaurant.

Types of promotional tools

There are many ways to promote your program. Try to vary the types of promotional tools you use for different events or activities. Some of the promotional tools you have at your disposal include:

Advertising: Advertising is a method of communicating with consumers, and is used to stimulate repeat business, introduce new services, and announce any changes in regular services and/or facilities. It is usually accomplished through newspapers, magazines, brochures, flyers, radio, and television. The primary objective of advertising is to keep patrons aware of club services and programs. It is especially important that advertising be used frequently since there are many potential patrons arriving on the base daily and for short periods of duty. Food and hospitality activities cannot rely on their past reputation because of this high turnover.

The second objective of advertising is to provide a favorable image of club offerings. This may also be referred to as the "soft sell" approach. The objective is not to sell specific services or programs through advertising, but rather to sell by advertising the activity itself. For example, the Temporary Lodging Facility (TLF) might distribute a brochure stating the facility's location, along with some simple remark such as: "If you are expecting out-of-town guests, think of us." No specific products or services are mentioned; it is merely a notice of the TLF's availability.

The third objective is often referred to as "pre-sell." This occurs when there are specific promotions, specials, or benefits that are to be communicated. The "pre-sell" objective is applied to advertising which is aimed at inducing immediate action. A special limited time offer and special one-night entertainment are examples of this approach.

It is important to remember these objectives before implementing an advertising program. Each program will have its particular requirements and, in order to be effective, should be specific in nature according to its purpose.

There are two strategies in advertising, direct and indirect.

Direct advertising is when the patron is encouraged to immediately take advantage of a service. For example, if food and hospitality has a promotion scheduled for a limited time, direct advertisements should stress that the timeliness of the promotion is critical. Direct advertising is intense over a limited period of time.

Indirect advertising, however, attempts to create a long-range demand for the service. This method instills in patrons the knowledge that a service or program is available if and when they are interested in pursuing it. For example, if the Enlisted Club has Happy Hour every Friday throughout the year, or offers check cashing, indirect advertising is the method that should be used to promote this particular offering.

Public Relations: Public relations (PR) refers to the total image projected by an organization. Efforts that establish, maintain, and improve activity image are all part of PR, and consist of advertising, packaging, customer relations, and corporate policy.

For food and hospitality, PR involves the creation of a positive patron attitude and goodwill toward the activity. The day-to-day image conveyed through employees, management practices, and the physical facility is more important than any other advertising and is essential to success. An activity's perceived image can attract or turn away potential patrons.

Sales Promotion: This technique is designed to stimulate patron involvement in programs food and hospitality activities wish to promote. There are at least four types of sales promotion. They are:

Sampling: This is an attempt to pre-sell the activity and/or service to the patron. For example, the base restaurant may want to promote a new dessert menu by providing an opportunity for patrons to sample a small piece of the "dessert of the evening", free of charge. This gives patrons a chance to sample the food with the idea that they will like it and be influenced to purchase it, or another dessert, the next time they dine at the restaurant.

Coupons: Coupons are used by 70 percent of American retailers in promoting products. Some commands provide MWR coupons good for reduced charges at MWR activities to stimulate interest and participation. Couponing has yet to reach its full impact. A coupon gives the patron the opportunity to participate in an activity at reduced or no cost. They can be very effective with new personnel assigned to the command, used as a motivational tool for them to visit your activity.

Contests: A contest may be used as a promotional method directed toward creating additional enthusiasm and interest. Contests usually provide some form of prizes. An example of a contest to promote enthusiasm and interest in a particular activity is a chili cook-off, held at the snackbar, judged by your staff, and a featured menu for a period of time, in hopes that the contest will encourage patrons to visit the snackbar more often.

Demonstrations: To create interest in your menu specialties or new Chef, a cooking demonstration might be arranged to take place at the exchange mall or at a booth during an MWR festival.

Personal Selling: Perhaps the most under-utilized method in the delivery of the MWR message is personal selling. All food and hospitality personnel should be knowledgeable about what other activities have to offer. When a patron visits one activity, there should be information available that makes the patron aware of other activities. Many commands have the MWR Director or other staff member brief personnel at welcome aboard or training briefs. These are perfect opportunities to not only talk about what food and hospitality offers, but also to "sell" the entire program.

Personal selling leaves a lasting impression because of the person-to-person contact. The main implication of personal selling is that each employee must be activity and patron oriented, and must make every effort to provide the patron with efficient, friendly, courteous service. Skillful personal selling is not something that can be taught to an employee easily -- it is an attitude. But it is something that can be influenced through training and good staff relations. It is impossible to have good personal

selling if the management and staff are not proud of their activity and its services. Management cannot expect the staff to be sales people unless they have a good reason to be proud of their work. It is a combination, therefore, of both the management and the staff that accounts for successful selling. Each must accept personal responsibility for promoting the club in the course of their daily job related activities.

Public Speaking: Public speaking offers another opportunity to sell your activity. Presentations to wives' clubs, incoming Marines, and at social functions can inform, influence, and stimulate interest in MWR activities. The use of slides, movies, and other visual cues can enhance the effectiveness of the presentation. The person speaking should be well prepared and keep the presentation well paced and interesting. Let all base activities and local organizations know you are available as a speaker. Private and base organizations may welcome you as a speaker at their meetings, especially if you have an exhibit or demonstration to present. Outreach to the local community provides an excellent opportunity to get acquainted and become knowledgeable about local demographics. Briefings should be given periodically to all commands, staff personnel, appropriate clubs, and base organizations.

Promotional Media: Various forms of media can be used to promote and communicate your program or a promotion to potential patrons. Some of the most important are as follows:

Brochures: Brochures can provide patrons information about food and hospitality activities, facilities, and services. A brochure may be current for a limited duration, such as one which promotes a specific promotion; or it may be timeless, such as one which indicates facility location, hours of operation, services offered, etc.

There is a wide variety of creative ideas which can be used when developing brochures. Some helpful guidelines are:

- Use two color paper for interest and black ink for impact.
- Medium weight paper is more impressive than light weight.
- Consider the different paper textures available, such as matte or glossy.

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- Bi-fold and three-fold are the most common type of folds used.
 - Photos create interest.
 - Areas of white space encourage reading.
 - Set off headlines by using larger type and/or different typefaces, such as bold and italics.
 - Indent paragraphs.

Flyers: Should be thought of as miniature posters that highlight important details of a program, service, or activity. Key elements to consider in developing an effective flyer are:

- Accuracy
- Quality
- Logo
- White space
- Who, What, Where, When, Why, and How
- Large letters for easy reading
- Rub-on letters instead of a felt pen
- Blowup of photo for background
- Silk screening

Remember to remove all brochures and posters when they become out-of-date.

Marquees: Marquees, billboards, and signs are on duty 24 hours a day and are an excellent complement to existing advertising. One of the primary considerations in setting up a billboard or marquee is location. Criteria for determining placement:

- Length of unobstructed view. When does the sign become fully visible from a car?
- Type of traffic. Fast? Slow?
- Does the sign face oncoming or outgoing traffic?
- Immediate surroundings. Are there traffic lights, competing signs, buildings?
- Size and physical appeal of the sign.
- Patrons to be reached. Do you want to contact patrons going to or from work?

Marquees must be easy to read. Keep the message short -- eight words or less and if possible include the MWR logo. Marquees are usually read as the patron is moving, so they must say only one thing and say it clearly. The clarity and aesthetics are also important in telling the patron what type of operation you have. A good looking sign connotes a quality operation. A key element relating to the patron's awareness is keeping the message on the marquee current. Messages should be changed every few days to keep the patron's interest. Old messages result in patrons losing interest and reduces the overall effectiveness of the marquee.

Posters: Posters should be large, eye-catching, and easy to read and understand. Produce enough to distribute to all base activities, and if possible, post outside as well as inside. Place the posters in high-traffic areas, and if there are no bulletin boards available, use easels to display your message.

Activity Calendars: Send calendars to target groups featuring activities they are most likely to participate in. This is an excellent means of providing patrons with a long-range schedule of upcoming events, programs, etc.

Audio Visuals: Videotapes, slide shows, and other visual media can effectively present your message. These can be used for welcome aboard briefs, command cable television, base community meetings (such as wives' clubs), or as movie trailers at the base theater. Audio visuals should be made available to every pertinent activity, both on and off base.

Other Visuals: Banners are excellent for advertising upcoming events. Hang them in high traffic areas such as main gates and use large letters on both sides and consider silk-screening, hand lettering, and Velcro letters. Bus Cards used inside base buses, similar to those seen in subways and on commercial buses, are effective because they have a captive audience. Signs on the back and sides of MWR vehicles will attract attention. Exhibits presenting a specific activity are an excellent way to elicit interest and attract new

patrons. For example, an appealing, eye-catching exhibit about your activity and located in the exchange area, can encourage people to visit your activity. Buttons, T-shirt messages, table tents, menu clip-ons, and messages on place mats, napkins, and coasters will call attention to your activity message. Work with other base facilities to get your message to their patrons and participants.

Telephone Hot Lines: You can designate a special number to call for information about MWR activities. All announcements on the pre-recorded telephone message should include upcoming events, discount information, MWR news, local entertainment, schedules, etc. If you use a recorded message, make sure the information is current. Make sure there is someone available to answer calls and the line is relatively free from other types of incoming calls. Publicize the number as much as possible.

Direct Mailings: The greatest advantage of direct mail advertising is that it will reach the intended market. For direct mail advertising purposes, you can strive to reach your basic markets. Your basic markets are: active duty Marines and their families, retired military, reservists in your area, and other eligible MWR patrons, such as civilians who work on base. From a direct mail standpoint the markets do not need to be further segmented. The effectiveness of direct mail advertising depends on current lists and addresses of potential and current patrons. This includes timely information for all Recent arrivals. As an example you may want to send a personalized welcome aboard letter. The letter should be sent to newly arrived Marines and their families, inviting them to visit food and hospitality activities. It could serve as the only nice individualized touch that the newcomer receives.

Many other types of information can be communicated through direct mail; such as special promotions, menus, parties, and entertainment. It is important that direct mail advertisements be kept separate from the monthly newsletter since the advertisement loses its effectiveness when it accompanies regularly delivered material.

Direct mail advertisements should be creative, professionally presented, and informative. The date, time, location, price, and other necessary information describing the special promotions should always be included. It is also a good idea to have the promoter (manager, chef, assistant) personally sign the direct mail advertisement before mailing. This adds a special extra touch. It becomes a personal invitation rather than a general invitation.

There are three major concerns associated with direct mail advertising. First, care should be taken not to overstuff direct mail advertisements with more than one or two promotions. The more stuffing, the less likelihood of its being read. Second, care must be taken to personalize the mail as much as possible (i.e., ink signed letter versus stamped); and third, the material should be professional in appearance.

The cost of direct mail advertising may be one of the most effective advertising expenditures that an activity can make. It is sent specifically to the primary patron and is utilized only when something special is being promoted. Each food and hospitality manager should incorporate direct mail advertising into the marketing budget.

Newspapers: The base paper is perhaps the most effective method of communication used by MWR activities. At many installations, MWR writes their own news releases and provides the information to Public Affairs.

Well written newspaper articles usually describe what the activity is, where it will be held, when it will take place, what the cost will be, and to whom the services are directed.

The first paragraph of the news release should include information such as who, what, why, when, and where. Use "how" in the second paragraph if it will not fit easily into the first. News releases are cut away from the bottom up by editors, so make the first paragraph the most substantive and the last paragraph the least important, with the others providing information and data to support the lead paragraph.

Use only as much material as will fit on one sheet of paper, double space, with one inch wide margins. Use clear, concise language and get to the point. If possible, use a quote from a dignitary, an official or a base officer to lend creditability and another angle to stories. The newspaper can expand the story by calling the appropriate contact person for more information.

MWR Supplements: Supplements are an excellent means of providing informative articles and ads to a widespread audience. This publication is produced periodically and provides readers with an in-depth look at a particular program, special event, discount attraction, etc.

CHAPTER 4: CREATING EFFECTIVE PROMOTIONAL COPY

When writing promotional material remember these basic rules:

Get peoples' attention.

Show people an advantage.

Prove it.

Persuade people to take the advantage.

Call for action.

Get Attention: Capture the interest of your prospective readers by making your material arresting and eye catching, but don't get "arty." On flyers and posters use white space as part of your total design because too much art work can be distracting and can take away from your message. Try to get a base or local area professional, or talented amateur, to create your message, your flyers, and posters. Don't confuse your reader with too much information, but make sure you are specific about who, what, when, and where. **Do not assume that the reader knows what you already know.** Be clear and concise and give just enough information to accomplish your objective. You do not want to overwhelm your readers in copy or graphics. Make your first sentence or headline a "grabber." The best grabbers create a picture in the mind of the reader and arouse interest.

Show People an Advantage: People want to know what your activity will do for them. Concentrate on that. Show them in words, in pictures, or both, what they can save, gain, or accomplish. Make sure that your message is stated in terms your audience can understand. Write your copy for them and not for yourself.

Prove It: If you have a reputation for delivering what you promise, this is easy. Direct mail promotions have room to state facts to back up your claims. For posters and other promotional mediums, this information should be as brief and clear as possible. Another way to "prove it" is to remind people of past activities

or events that were successful. Posters can use an enlarged photograph of a previous similar activity that went well. You can use tag reminders like: "By request we've brought back . . ." or "You liked (--), so now . . ." Photos can be used in a feature story for the newspaper. If you make any sort of guarantee, be prepared to back it up and deliver on it.

Persuade People to Take Advantage: Make your copy timely and make an offer that needs to be acted on soon. Offer a booklet, a sample, or some other inducement to motivate action. Put a time limit on your offer. State that the supply is limited. Show what can be lost by not acting: "A special night out that won't empty the piggybank ... \$3.00 off dinner-for-two and a bottle of wine." "THIS WEEK ONLY"

Call for Action: Use words that telegraph action "Write Now," "Call Today," "Sign Up Now." Give an address as well as a telephone number if possible. Having to call to find out additional information is an "interim action." It is an additional step people must take before they can act on your suggestions. Try to keep them from having to take any additional steps. Keep the address simple so that it will be easily remembered by using a building number or a base landmark (i.e., snackbar located in the Exchange mall). Do whatever is necessary to make sure action can be taken in a simple and easy way.

Remember: Include the MWR logo on all your publicity so it will become easily recognized as synonymous with your program.

CHAPTER 5: VISUAL AIDS

Photographs

Photographs are excellent to use in flyers, brochures, and other media. Subjects should appear relaxed and natural and the settings should be pleasant. However, no smile at all is better than a stiff smile or a false smile. Shoot candid shots so people look more natural and interesting. If the photo must be posed, give your subjects something to do or hold, and take the shot as they are talking, or examining something, this makes a more relaxed picture.

Important points to remember about photographs are:

- Take your photographs from more than one angle.
- Action shots that are not posed are more interesting than planned "action" shots which very often have an artificial/posed quality to them.
- Keep the background on still shots simple. Where possible, avoid more than two or three people in a photograph. Avoid patterned wallpaper, lots of background activity, trees, and potted palms "growing" out of your subject's head. Pay close attention to details. Remove sunglasses and drinking glasses, and make sure cigars and cigarettes are being held and not puffed. Straighten ties and lookout for rumpled clothing.
- If you are photographing an event, take your picture being mindful that your action photographs could be used in brochures, enlarged for posters or display boards, and used as slides. Try to get action shots in 35mm, and use color as well as the black and white film necessary for newspaper photographs.
- Start a photograph file. The file will be available for you to draw from whenever you need a photograph for a brochure or a special promotional activity. Take your pictures with your photo file in mind.

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- Never photograph rooms, halls, lobbies or any other physical portion of your facilities or operation empty of people or with only a few people in a vast area. The general effect will be lonesome and forlorn no matter how splendid the decorations or equipment shown. If you plan to take such photographs, be sure there are enough people in the picture that the effect is one of a pleasant, well-used atmosphere, but not so crowded as to be uncomfortable.
 - Do not pose your models; such photographs will always look rigid. Instead, have them actually dancing in the club bar among the new decorations. Take your photographs after your models are relaxed and have begun to enjoy themselves; that enjoyment will come across in your photographs. This is one of those situations where you may want to have two or three photographers present to take shots from different angles.
 - Photograph prints should be made on glossy paper, 8" x 10" preferably, but 5" x 7" is often used. Check with your base newspaper and other possible outlets for your photographs to see what is preferred.
 - Photograph Captions: Every photograph must have either a caption or, if it is to go with a story, identify who is in the photograph and what is happening. It can be as simple as one sentence but should be complete enough to tell the reason why the photograph was taken. Identify the people in each shot by name and position, as well as the name of the organization, the event, its location, and the date it occurred.
 - Never write on the back of a picture. The pressure of a pen or even a pencil will make marks on the front of the photograph. Type a separate piece of paper, cut it out, and tape it to the back of the photo with as little tape as possible.

Slides

A single slide, or a series of two to four slides, can be used on television or shown before a movie. A striking action visual in color, followed by a clearly lettered informational slide giving time, place, and date of the event is very

effective. Slides can be mounted in metall plastic, or cardboard. Use only the very highest quality photographs for slides. This may be the "first point of contact" with your audience and you want them to know you are running a professional and competent operation.

Slide shows are good for:

- Communicating a specific idea or impression to your audience.
- Communicating a subject that is "visual," where words will not convey information effectively.
- An audience in a specific location and at a specific event.

Slides are not good for:

- Imparting a great deal of information that needs to be referred to often. Use a booklet instead.
- A short lived event (slide shows can be expensive).
- Showing where there may not be appropriate equipment for viewing available.
- A lengthy subject. Slide shows should not run more than 15-20 minutes.

Planning your slide presentation

- Define the objective of the slide show.
- Analyze the audience to which it will be shown; your message should be directed to them.

Preparing the presentation

- **Write the Script:** Write the script first rather than writing around your slides. By writing your script first, you can keep the thrust of your show sharp and the pacing just the way you want it.

- **Plan the Slides:** To keep the show from drifting, vary the space between slide changes and their location in the sentence. Do not have every slide change done when a sentence ends, when a sentence begins, or in the middle of a sentence.

It is not necessary to have a new slide for every new sentence. Make sure, however, that you never have more than one new thought or idea for each slide. Use as many slides as necessary to develop that thought, but never so many that the pace of the show stalls.

Be creative about your slides. Make sure the slides are professional in quality and distinct, not blurred or weak in color.

- **Time the Show:** Check for pacing, for final length, and for delivery of the presentation (if there is to be an oral talk with the show).

- **Handouts:** When you make a slide show presentation, be sure there are materials for your audience to take with them (i.e., maps, flyers, brochures, samples, folders).

Writing the Script

Write a vivid opening segment to get your audience's attention and plan to use your most exciting slides at this time. Use short declarative sentences, action verbs, present tense, descriptive images, and conversational languages. While you can develop each new thought by using more than one sentence, try not to use more than three sentences for each thought; otherwise the pace will lag. The summation should leave your audience with an "upbeat" feeling.

Divide the script into three sections: main thrust of your presentation, hard information, and summation. A description should be prepared for each slide and each sentence used numbered so that the presenter can easily be cued to each slide. Make new slides rather than trying to fit an old slide into your script and ensure each slide is compatible with the idea you are trying to get across.

CHAPTER 6: EFFECTIVE CUSTOMER SERVICE

An important element of promotion that cannot be overlooked is customer service. Food and hospitality can advertise and promote its services extensively, but if there is no customer service program then promotional efforts will be in vain.

Vital to the success of any MWR activity is the customer oriented attitude of employees. Customer service policies must start with the activity manager. Policies should be communicated to employees and supported by them. These policies and practices must become an integral part of the food and hospitality operation.

A **key management philosophy** which should be practiced in every food and hospitality program is the assumption that *the customer is right unless a complaint is proven unjustified*. Patrons who take the time to lodge complaints believe they have legitimate problems. Ignoring or responding negatively to complaints will result in nothing but ill will. These customers deserve prompt attention, ideally, inquiries should be responded to on the same day they are received.

Giving your customers what they want and need to make them happy pays great dividends. Happy customers tell their friends -- approximately 72 percent of first-time customers come because of recommendations. Conversely, unhappy customers tell at least 10 other people.

Quick resolution of patron complaints lets patrons know they are important and also lessens the possibility of the complaint being aired to others. By being open to customer criticism, we develop an effective means to measure how we are serving our patrons. It is essential that food and hospitality build an effective customer service program. This starts with training employees on proper ways to respond to customer complaints. The wrong response to a customer's problem can create a negative effect which ripples when dissatisfied patrons spread their complaints. Employees should be personable, have a neat appearance, a good telephone voice, patience, and a knowledge of the food and hospitality program. Above all, they must have a genuine interest in people. A dedicated, responsive, customer-oriented organization is one of the best contributions that can be made in this climate of heightened customer awareness.

TELEPHONE TIPS

- (1) Answer promptly.
- (2) Identify the activity and yourself when answering.
- (3) Speak distinctly and pleasantly.
- (4) Avoid making abrupt, trite, or misleading phrases.
- (5) Give the caller a report and make an offer to help. "He stepped out for a few minutes. May I ask him to call you?"
- (6) When necessary, give the caller an accurate telephone number or extension where the person may be reached.
- (7) Volunteer your own assistance. "May I help you?" or "Could someone else help you?"
- (8) Request the identity of a caller in a tactful manner.
- (9) Explain delays. Be sure to let the caller know you are going to have to put the phone down and why.
- (10) Take messages willingly. Write details on a suitable form and deliver them promptly.
- (11) Transfer the call elsewhere only when the correct number is known. No one likes a "run around."
- (12) Say goodbye pleasantly and hang up gently.

CHAPTER 7: VISUAL MERCHANDISING

Visual merchandising helps distinguish food and hospitality activities from other activities on or off base. When well planned, visual merchandising can help boost sales. It encompasses all aspects of activity services, including areas not typically considered income producers or sales related. Merchandising helps make each patron's visit to the activity a memorable one, provides a unique atmosphere, and makes the entire facility more attractive, pleasant, and comfortable. Any area within the activity which can achieve these goals must be considered a potential merchandising area. The following deserve particular attention with respect to merchandising efforts:

- Menus and Food
- Services
- Facilities
- Pricing of Services
- Uniforms
- Entertainment

Within each of these areas there are particular focuses of attention. Combined, the overall goal is the activity image, which is the way patrons perceive the activity and its services. Although the definition implies that image is an individual opinion, there are several ways the activity manager can present the club so that its image is consistent for all patrons. Merchandising can influence the patron's perception of the activity (i.e., how it looks, its comforts, its friendliness). In fact, merchandising may be the single most important factor in affecting the patron's perception. The awareness of image-related areas deserves constant managerial attention.

Menus and Food: If the activity's primary purpose is to provide food and beverage, the menu and food are the most important areas where an image can be created. The entire activity perception can be affected by a poor or unimaginative menu. The areas within the menu that deserve merchandising attention are the use of colors, graphics, printing styles, cover design, menu item descriptive wording, size and shape of menu, and the actual choice of menu items. Again, merchandising means providing distinctive qualities and special

touches. The menu should be designed creatively and printed by a professional printer. The use of seasonal menus allows for merchandising through graphics and/or color schemes which depict seasonal activities. Menus also allow the activity manager to develop specialty dishes and merchandise them as such on the menu. Certain menu items can be emphasized and merchandised through descriptive wording. There are no limits to the usefulness of the menu in helping provide a distinctive and memorable food and beverage operation.

Food quality must reach the level of expectation created by the menu. The actual taste of the food will linger on longer, and have a much more lasting effect on the patrons' perception of the food service, than the menu. The two, the menu and the food, must be thought of as a team, with food quality being the more important consideration. Although good food quality will compensate for a poor menu, a good menu will not compensate for poor food quality. The ultimate goal is a menu that complements food quality and vice versa. The importance of food quality as a merchandising tool is exemplified by the fact that word-of-mouth advertising is critical to the success of an activity's food operation. Merchandising the food operations through good quality food turns the patron who has had an enjoyable dining experience into an advertising medium.

Services: Services can be defined as any service offered to the patron, whether it be for profit or not. Services include food and beverages, party facilities, meeting rooms, recreational areas and/or equipment, entertainment, and other services such as telephones in Temporary Lodging Facility rooms, newspapers, and vending machines. As can be seen, there are countless areas within services where merchandising can be a factor.

Merchandising services means emphasizing any special services, facilities and/or capabilities. A pool room, for instance, represents a multitude of possibilities for merchandising. Special "sharp shooter" nights, tournaments, trick shooter exhibitions and partner tournaments are only a few possibilities that turn an ordinary pool room into a potential profit producer.

Managers should evaluate their facilities in respect to potential services merchandising. Other areas which deserve consideration are recreational activities (pinball, ping pong, tennis, golf), food and beverage service (specialty ethnic nights, family nights, "all you can eat" nights), and entertainment (concerts,

talent shows, dancing exhibitions, dinner shows). The key point is that there are endless ways in which activity services can be merchandised. The following steps are important in merchandising services.

- Determine exactly what services are available.
- Determine what types of services can be made available with or without capital expenditures.
- Establish a priority list of services which should be merchandised based upon market questionnaires, intuition, and informal patron surveys.
- Develop a list for each service or promotions and events which can be implemented and specially merchandised. Be sure to make them realistic and affordable.
- Establish a rough plan as to when these types of services can be offered.

Facilities: The actual condition of the activity facility is one area that is not an income producer but is, nonetheless, an area that deserves merchandising attention. A very clean, well-organized, and appealing facility will most definitely affect the patron's perception of the activity as a whole. Therefore, as previously emphasized, facilities are included in areas affecting image and should be treated as areas requiring merchandising efforts.

Some of the areas that require attention are the exterior grounds, landscape, entrance ways, hallways, carpeting, furniture, decorations, and meeting rooms. In addition, food and beverage facilities (dining rooms, bars), recreational areas, and entertainment facilities all require the same focus. Examples of the type of merchandising that helps promote services are well-landscaped and well-maintained lawns, gardens, shrubbery, and sidewalk areas; clean and well-painted entrance ways, awnings and doors; and well-maintained carpets, woodwork, lighting fixtures, and hallway furniture. The patron who arrives at the facility and notices a well-kept and well-structured garden is seeing a merchandising effort aimed at providing appealing and attractive facilities. Conversely, an improperly maintained garden or entrance way does not help to create a favorable image.

Another example of the facility's role in merchandising is the maintenance of meeting and special function rooms. These rooms should be attractive, well-decorated and clean. The patrons using the rooms will feel more comfortable in a well-maintained meeting room and will notice the efforts to personalize the room for their functions, such as providing special decorations for weddings and parties. Again, this all helps create an overall favorable image for the activity.

Pricing of Services: Pricing is not considered a typical merchandising tool. Its primary objective is to provide income. It must be assumed, however, that the patron views pricing as a very important aspect of services. Value is the key. Providing value becomes a marketing/merchandising effort. Throughout the private sector, value is a very strongly emphasized quality in advertising and merchandising programs. The nature of pricing and services has been discussed in other sections of this manual with the emphasis placed on the fact prices are established only after critical review of:

- Cost of the service
- Profit objective
- Anticipated popularity of the service
- Competitors' prices for similar services
- Market flexibility

Fixed prices, (room rates, menu prices, drink prices) are not as amenable to merchandising considerations as are special events and promotions. Special entertainment such as concerts and various types of exhibitions, special dinner nights, and holiday parties present opportunities for price merchandising. Special pricing could include "dinner for two," reduced prices at Happy Hours, special family rate for families attending activities, and half-price admissions to special events such as Halloween parties, Christmas balls, and St. Patrick's Day events with prizes for best costumes, the best dancers, or the "most Irish looking" participants. The low price and "all you can eat" promotion has become a prime example of how pricing and merchandising work together to produce both value and sales.

Uniforms: It is necessary to mention uniforms as a merchandising tool because they are considered a basic part of an activity's "ambiance." A well-dressed

employee is one of the best merchandising tools we have. An entire staff of well-dressed employees is the ultimate goal. Uniforms, like landscaping, provide an immediate visual experience to the patron. Poorly organized and unkempt uniforms create an unfavorable image of the activity as a whole, even though they are not considered income producers or services. Uniforms should be provided to all employees, or a standard uniform should be established so that all employees may purchase similar attire. Whenever possible, uniforms should reflect the central theme of the facility. This is another way by which distinctiveness and image are created.

Entertainment: Of all the areas mentioned in this section, entertainment is the one which continually utilizes merchandising as a primary sales tool. Merchandising efforts should concentrate on personal selling, advertising, and the actual choice of entertainment. Obviously, the more familiar or more popular the entertainment, the more distinctive the activity becomes. Entertainment should always be viewed as a special activity deserving special promotional considerations. Entertainment needs merchandising efforts to stimulate interest. It is self-defeating to offer the same kind of entertainment over and over again -- its special qualities become lost. This may not be the case for very popular entertainment such as a special band that always draws big crowds, but generally, too much repetition of one form of entertainment nullifies the merchandising aspects of the event.

Some merchandising-type tools which are used for promoting entertainment are phrases such as "appearing for the first time ever," "back by popular demand," "all the way from (name of place)," and "command performance." Each of these phrases, and similar phrases, are attempts to emphasize uniqueness and distinctiveness. There can be no substitute for merchandising; it offers an opportunity for the activity to impress patrons with its attention to details. Perhaps the most important outgrowth of good merchandising, however, is that not only do patrons benefit from management's commitment to provide special touches, but the activity also benefits from increased patron participation.

CHAPTER 8: MARKETING PLAN

Planning is essential to the success of any business. The *marketing planning process* attempts to organize thinking about the future, what must be accomplished, and when it must be done. Since most management problems happen on a day-to-day basis, most managers focus only on the present. Long-range planning to these managers is next week.

An effective planning process is to your best advantage. A marketing plan will provide you with a blueprint for making important business decisions. The process requires a thorough evaluation of your activity, and upon completion you will have outlined your business's specific goals, strategies, programs, and budget. This will provide a rational, logical sense of direction for your activity and detail your strategy for success. Among the benefits to be realized are:

A sense of direction that is rational and logical.

- Coordinated effort and maximized use of resources.
- Indexes to measure and evaluate how the organization is doing.
- Improved public relations allowing better interpretation of the organization's goals and achievements.
- Increased employee involvement.
- Improved staff capabilities to manage and assess overall program operations.
- Increased foresight in terms of meeting future community needs and operation requirements, thereby reducing crisis management.

Although the Food and Hospitality Director and the activity level manager can tell you what they would like to do, often nothing is written -- no objectives, no tasking, no milestone dates. As a result, many activities are at a level of stagnation, with no visible improvements patrons can relate to, no lessons learned for improvement, and in some instances, no new equipment for improving the activities.

Planning - Why Don't We Use It?

Some of the most common statements from managers who do not prepare written plans are:

- Business techniques cannot be used in nonprofit organizations.
- Day-to-day crises need attention, leaving little time for planning.
- Efforts that require thinking about the future are difficult and uncertain.
- Managers have never been trained in the planning process.

What is planning?

Planning is both strategic and operational. This guide focuses on strategic planning which is primarily concerned with long-range issues, such as the mix of products within a product portfolio. A mix of products in different stages of the life cycle is also an aspect of strategic planning. Diversifying a menu would be an example of this. "Fad" items will generate substantial profits, but have a limited life cycle compared to more stable items. An example would be a popular appetizer item as compared to the ever-popular cheeseburger. The marketing planning process requires you to consider the wants and needs of your customers, or that the process be market driven. In researching and developing your plan, your experience and customers will be invaluable resources. Other suggested personnel to consult include your:

- MWR Marketing Personnel
- Installation Commander
- Installation Sergeant Major
- Base Master Planner
- Other Food and Hospitality Activity Managers

Principles of Planning

The following are important principles to consider when developing a marketing plan.

- The process of planning should be done by outlining your steps before beginning the process.
- Relevant planning involves fact finding and analysis.
- Planning is a continuous process and the primary responsibility of management.
- Planning is more than a staff process and requires obtaining input from your customers and other food and hospitality managers, and taking into account your competition and experience.
- Groups and/or individuals who are directly affected by planning decisions should have the opportunity to influence these decisions at appropriate points during the planning process.
- Persons accountable for implementing plans should be involved in the planning.
- Related tasks should be grouped to determine if they will support a common objective.
- Tasks should be clear and accurate.

What Is A Marketing Plan?

To develop a marketing plan, you must:

1. Examine your current marketing situation.
 - a. Identify trends and examine your local environment.
 - b. Examine potential opportunities and threats to your program.
 - c. Determine the strengths and weaknesses of your program.
 - d. Ask yourself: "What business am I in?"
 - e. Identify who your patrons are and what they need.
2. Set objectives and goals for your marketing plan.
3. Determine the best marketing strategy.
 - a. Determine target markets.
 - b. Develop the best marketing mix.
 - c. Complete a competitive analysis.
4. Develop a plan of action.
5. Determine a budget and set controls.
6. Develop an Executive Summary.

STEP 1: EXAMINE YOUR CURRENT MARKETING SITUATION

a. Identify trends and examine your local environment.

A marketing plan must include an analysis of your **local environment, industry trends, economic indicators, and political and social changes** relevant to your products or services. Your program is affected by these factors, and you must be knowledgeable to ensure your program changes as required by the changing environment in which you operate.

Your **local environment** consists of your specific activity's components plus other on-base elements, such as the Marine Corps Exchange, Base Security, and the different ranks of Marines. Your activity's components consist of:

- Personnel (yourself, supervisors, staff, maintenance, etc.)
- Facilities (dining rooms, sleeping rooms, cafeterias, cocktail lounges, entertainment rooms, kitchens, etc.)
- Supplies and equipment (tables, chairs, food preparation equipment, etc.)
- Other food service facilities, both on and off base (i.e., McDonalds, Holiday Inn, convenience stores)

Industry trends must be closely observed. For instance, an increase in health and fitness awareness causes an increased demand for diet or health foods and beverages. Such a trend may lead to: smaller entree portions; less fried foods, more broiled and steamed; less fatty meats and desserts and more vegetables and fruits; less white bread and more whole-grain breads; less heavy, "gravy-type" foods and greater demand for foods lower in saturated fats and cholesterol; or more salads, soups, and appetizers.

To interpret trends, compare leading **economic indicators**, such as unemployment, inflation, federal budget cuts, and an increase in unemployment. What do the relationships between these indicators mean to you? In general, if leading economic indicators are positive, such as an increase in employment, the market potential for most goods or services will increase. For example, there may be greater demand for the more

expensive items on your menu. Conversely, demand for the more economical choices may increase as economic conditions worsen. All economic indicators should be viewed solely as one piece of evidence in determining the strategies to be incorporated into your marketing plan. Use these indicators to assist you in your planning. Unforeseen political, social, and economic events may cause the economic indicator to become invalid in a short period of time. For this reason indicators should not be used as "absolutes."

Political and social changes will also affect your current marketing strategy. Primary sources for political and social changes are the newspaper (local, regional, and national), television, and radio. This is particularly evident in third world countries where revolutions, riots, and other social-political disturbances often threaten marketing activities. In the United States at the national level, **political actions** such as deregulation, increased taxes, and the elimination of trade barriers can have profound effects on marketing activities. Sometimes a change in the political party in control can affect marketing plans. At the state level, political factors such as the acceptance or rejection of bond issues and urban renovation, can have positive or negative marketing implications.

Social changes, such as trends toward conservative or liberal life styles, have both immediate and long-term marketing implications. Changes in mobility, marriage and divorce, working women, and many other societal factors may be considered in the preparation of a marketing plan. Since each marketing plan must be custom-made, only those factors which have direct influence on your products should be included.

When identifying trends, concentrate on those which affect your specific food and hospitality activity. You must observe the factors over a period of time to determine if it is in fact a trend and not just a fad. Also, compare the relationship between leading indicators, such as unemployment and inflation, and determine what the relationship means to your activity. Use the newspaper, both local and national, television, and radio as primary sources of information. Your success will depend on how current and updated you are on what is occurring within your geographical area.

EXAMPLES

The following are examples of the types of trends which could affect your business.

Local Installation Environment

- Command emphasis on reasonably priced entertainment for young, enlisted Marines.
- Mission changes because of deployments.
- Generally old, run-down appearance of facilities.
- Skilled personnel near the installation.
- Large pool of possible clientele, such as young adults (20's-30's) with children.

Local Area Trends

- "Happy Hour" specials.
- Free hors d'oeuvres during select times.
- Diversified ethnic foods, such as Mexican or Vietnamese entrees.
- Carry-out or delivery service.
- Military discounts frequently offered off base.

Economic Indicators

- Increase in unemployment.
- Inflation rate.
- Budget cuts.

Industry Trends

- Offering of "light" foods.
- More and greater variety food bars.

-
- Offering of ethnic food items.
 - Frequent stay programs.
 - Weekend getaway packages offered.

Marine-Corps Trends

- Decrease in alcohol consumption.
- Increase in variety and demand for appetizers.
- Increased interest in casual dining with a theme such as Mexican, Italian, etc.
- Greater demand for seafood and poultry.

Political and Social Changes

- Deregulation.
- Tax increases.
- Mobility.
- Marriage rates.
- Average family size.
- Aging society.

WORKSHEET

Analyze and specify trends relevant to your products or services. Briefly describe the probable effects during the next year of these trends on:

- (a) Your market.*
- (b) Your marketing strategy.*

Examples

- **Economic Factor: Decreased unemployment**

(a) Probable effect on market: As a low paying employer we may have an easier time attracting qualified personnel.

(b) Probable effect on marketing strategy: Increased advertising budget to attract qualified persons interested in working for the available income.

- **Political Change: Deregulation**

(a) Probable effect on our market: Deregulation may increase the number of competitors in the short-run, with possible price reductions.

(b) Possible effect on our marketing strategies: We may have to lower prices for some or all of our products and increase our advertising budget to attract new market segments.

- **Social Change: More working wives**

(a) Probable effect on our market: More lunch-eaters; increased need for relaxing weekend getaways.

(b) Probable effect on our marketing strategies: Offer more "light lunch" items on the menu; offer romantic weekend at reduced rate during down periods.

Local environment element:_____

(a) Probable effect on market:_____

(b) Probable effect on marketing strategy:_____

Industry trend:_____

(a) Probable effect on market:_____

(b) Probable effect on marketing strategy:_____

Economic indicator:_____

(a) Probable effect on market:_____

(b) Probable effect on marketing strategy:_____

Political change:_____

(a) Probable effect on market:_____

(b) Probable effect on marketing strategy:_____

Social change:_____

(a) Probable effect on market:_____

(b) Probable effect on marketing strategy:_____

STEP 1: EXAMINE YOUR CURRENT MARKETING SITUATION (cont.)**b. Examine potential opportunities and threats to your program.**

As you examine your current marketing situation, you must examine potential opportunities and threats to your program. Opportunities are areas where you enjoy a competitive advantage over your competition due to the local environment factors previously listed. Threats are situations that might have an unfavorable effect on your program if no marketing action is taken. Sometimes, threats can become opportunities by diverting resources to another program that better meets the needs of your patrons.

Examine the opportunities and threats to your program and decide what to do to enhance your opportunities and minimize your threats. This will help you develop your marketing goals and objectives. Examples of opportunities and threats follow as do characteristics of successful food and hospitality activities.

EXAMPLES*Opportunities*

- Location is convenient for patrons.
- Cuisine and menu based on healthful foods and overall "wellness."
- A menu emphasizing seafood, naturally prepared foods, and fresh produce (for an installation located in an area that has these items in ready supply).
- A Chinese or other food menu for lunch service as an alternative to the "fast food" readily available.

Threats

- Budget pressures, cut-backs, and reduced appropriated funding support of programs.
- Local military mission changes may result in a decreased patron base.
- Increasing focus on alcohol abuse programs and drunken driving may further reduce bar business and erode high margin sales.

-
- Fast food restaurant coming on base may erode sales, especially lunch sales.
 - Convenience store coming on base may cause a decline in food sales.

Before identifying your activities's opportunities and threats, consider the following general concepts for each market segment.

Characteristics of a Successful Enlisted Club

- Good, convenient location near single Marine housing (within walking distance).
- Good entertainment program with a DJ and dance floor.
- Attractive, clean decor and adequate size (i.e., one seat for each 7.3 persons living on base).
- Good drinks, service, and snack food.
- Competitive prices to off-base bars.
- Opposite gender patronizes the club.
- Marines and civilians under 21 years of age can use the club, but can not be served alcoholic beverages.
- Good size and fully equipped game room.
- Adequate operating hours.

Characteristics of a Successful SNCO Club

- Attracts Department of Defense civilians with location near work/office areas of all eligible patrons for lunch business.
- Location on main roadway near main gate.
- Active group of eligible retirees.
- Location near recreation/fitness facilities or same included in club.
- Good product/service mix of food and beverages at prices competitive to off-base facilities.
- Good entertainment program.
- Good size and fully equipped game room.
- Adequate parking.
- Adequate operating hours.
- Good bingo program.

-
- Attractive, clean decor and adequate size.
 - Good catering/sales program and adequate banquet space.
 - Dining room suitable for family usage.

Characteristics of a Successful Officers' Club

- Majority of junior officers living on base.
- Attracts Department of Defense civilians with location near work/office areas of all eligible patrons for lunch business.
- A large active group of eligible retirees with base security passes allowing evening access.
- Location on main roadway near main gate for ease of off-base access.
- Location near recreation/fitness facilities or same included in club.
- Good product/service mix of food and beverage.
- Prices competitive to off-base restaurants.
- Good entertainment program for all groups.
- Commanding officer setting an example of club usage and membership.
- Good size and fully equipped game room.
- Alcoholic (deglamorization) policy not overly restrictive.
- Good membership dues program.
- Adequate parking.
- Full range of operating hours.
- Attractive decor and adequate size.
- Good catering sales program and adequate banquet space.
- Dining room suitable for family usage.

Characteristics of a Successful Fast Service/Snack Bar

- Located near major activity.
- Attractive decor and adequate size.
- Good product/service mix of food and beverage at competitive prices.
- Operating hours which compliment the major activities nearby.
- Fast service and/or possible delivery.
- Located near on-base housing.
- Suitable for family usage.

Characteristics of a Successful Temporary Lodge Facility

- High occupancy factor
- Clean, comfortable and well appointed rooms
- Adequate operating hours
- Good customer feedback system

WORKSHEET

List Your Business Opportunities and Threats

Opportunities

Threats

STEP 1: EXAMINE YOUR CURRENT MARKETING SITUATION (cont.)**C. Determine the strengths and weaknesses of your program.**

There are two types of strengths and weaknesses -- "known" and "unknown".

Strengths and weaknesses as seen by your patrons are known strengths and weaknesses. Patron surveys and "word-of-mouth" are good sources to discover your known strengths and weaknesses. You will obtain information on customer satisfaction such as how your customers view the quality of your facility, equipment, personnel, and whether their needs are being met. Suggestion boxes, comments, and surveys will identify your patrons' views on your operation's strengths and weaknesses.

Your patrons may not be aware of some additional strengths and weaknesses in your program. Your familiarity with your day-to-day suppliers and equipment, personnel capabilities or problems, or other factors that can influence your program, are examples of unknown strengths and weaknesses. Information gained from yourself and your personnel is useful in determining the unknown strengths and weaknesses of your operation.

EXAMPLES*Known strengths*

- Marine Corps costs and prices are lower than private competition.
- The installation has a substantial location advantage for patrons living on the base and for those working on the base during day time hours.
- The quality of food at the clubs on base, its preparation and cooking, get consistently high marks from patrons.
- Hours of operation that suit the patrons' needs.

Known weaknesses

- The clubs on base have a poor reputation among patrons for atmosphere, especially for family dining.
- Parking is inadequate on weekends.
- Restroom plumbing in serious need of repair.
- The cleanliness of the facility is lacking.
- A reputation for poor service.

Unknown strengths

- On base profits of clubs and snackbars are high, although the margin is very thin.
- Mechanisms have been established (comment cards and patron surveys) for patron evaluation and feedback on a daily basis.
- The base has strong command support for funding requests to improve the food and hospitality activities.

Unknown weaknesses

- Promotional efforts are limited and inconsistent.
- Staff morale is low, and employee turnover is high.
- Reduced price promotions cannot be used freely because of the need to meet profit goals more from food sales and less from alcohol sales.
- You do not receive strong management and command support for innovative new projects you wish to implement.

WORKSHEET

List Your Known and Unknown Strengths and Weaknesses

Known strengths _____

Known weaknesses _____

Unknown strengths _____

Unknown strengths

STEP 1: EXAMINE YOUR CURRENT MARKETING SITUATION (cont.)

d. Ask yourself: "What business am I in?"

You have looked at trends, your local environment, opportunities and threats, and strengths and weaknesses. Now you need to ask, "What is our reason for existing?" **You need a clear statement of purpose so everyone involved in delivering your program can focus their efforts on that purpose.** A statement of purpose will help both management and staff conduct their programming efforts in a common direction.

A statement of business purpose identifies what you do in the broadest terms. It also helps you to identify with those whom you are serving -- your patrons. As these examples show, your business purpose should focus on what benefits your programs offer to patrons and how your program is distinctly different from other establishments.

EXAMPLES

- Providing social and recreational facilities, food service, and refreshments to commissioned officers and their families.
- Providing a convenient place for the Master Sergeant to escape the pressures of work and to socialize in a relaxed atmosphere.

-
- Providing complete banquet and catering services including event planning, menu planning, food preparation, food and beverage set-up and service, table settings and glassware, facilities and facility decorating, and after event clean-up.
 - Providing the enlisted Marine Corps member with quality food and contemporary entertainment with an emphasis on service.
 - Providing convenient fast food to MWR patrons.
 - Providing a family oriented atmosphere, catering to patrons with children.
 - Providing affordable lodging on mainside, plus mountain chalets for recreational retreats.

WORKSHEET

Define Your Business Purpose Below

Business Purpose_____

STEP 1: EXAMINE YOUR CURRENT MARKETING SITUATION (cont.)**e. Identify who your patrons are and what they need and want.**

Identify your patrons in basic terms of gender, rank, and marital status. You should also identify, as closely as possible, common interests or characteristics of your patron population. For example, determine your patrons' family size and how they spend their leisure time. From these characteristics of patron participation you can develop your programs.

The best way to identify your patrons' needs and desires is through marketing research, which is discussed in detail beginning on page six of this NAVMC. Research results can provide a major stepping stone for meeting market needs. As market needs and wants constantly change with market conditions, so must your surveys. In times of recession and inflation, for instance, value becomes increasingly important. Lower prices (consistent with profit objectives) and less expensive programs, become more important. As expendable income increases, more services, better quality food, and top quality programs may be stressed. Marketing research serves a purpose to food and hospitality activities by forging a formal bond between patron needs and activity offerings. The more often the two coincide, the more successful the activity is in the eyes of both parties. Before identifying your patron profile, consider the following general concepts for each market segment.

Enlisted

- **E1-E3**
 - mostly single
 - wants to meet opposite sex
 - wants lively, current entertainment
 - enjoys alcoholic beverages (though may be under 21)
 - wants informal, non-military atmosphere
 - eats fast food
 - many Privately Owned Vehicles (POV's)

-
- **E4-E5**
 - many are married
 - enjoys program that appeals to spouse
 - many live off base
 - limited disposable income due to family size
 - desires family dining

SNCOs

- **E6-E9**
 - older, career oriented Marine Corps personnel
 - close knit, almost fraternal group
 - club use builds esprit de corps
 - desires family dining
 - party/banquet usage important
 - many live off base
 - reduced MWR activity evening use after leaving base

Officers

- **01-03**
 - many are single
 - wants to meet opposite sex
 - good surplus income for singles
 - many POV's
 - wants informal, non-military atmosphere
 - married officers desire family dining
- **04-010**
 - many are married
 - activity must appeal to spouse
 - mostly use club for lunch
 - official functions important
 - like more formal atmosphere
 - like more reserved entertainment
 - family life reduces disposable income

WORKSHEET

Identify your patrons, their common interests, and using recent market research data, their primary needs and wants.

Examples

Patron Profile

- Over 80 percent are male. On the average, they are 25 years old. About 50 percent are married and about 30 percent have children.
- Half live off base. Seventy percent have been at the installation for less than a year.

Patron characteristics

- About 30 percent of active duty patrons went to full service restaurants last year. About 20 percent visited the base restaurant.
- Last year, 48 percent of patrons went to clubs and places offering dancing. Next year, 44 percent of patrons are expected to frequent these activities.
- Last year, 28 percent of customers participated in "Happy Hour." Next year, 24 percent are expected to enjoy "Happy Hours."

Patron needs and wants

- Officers most often use the club for Happy Hour and weekday lunch.
- Most believe the ideal club would be structured as a separate rank facility, serving food and beverage, and offering entertainment.
- The ideal dining style, according to the majority surveyed, would be family style. E5s and below prefer a casual theme for the base restaurant.

Patron Profile: _____

Patron characteristics: _____

Patron needs and wants: _____

STEP 2: SET OBJECTIVES AND GOALS FOR YOUR MARKETING PLAN

You are now ready to define marketing goals and objectives for your program. Marketing goals (strategies) identify what you are going to do in broad terms. Marketing objectives are specific means to achieve your goals. They state what will be done, when it will be done, and how the result will be measured. When writing your goals and objectives, consider the preceding steps you have just completed. You have:

- a) Identified trends affecting your operation and examined the local environment influencing your activity.
- b) Examined potential opportunities and threats to your program.
- c) Determined strengths and weaknesses of your program (both known and unknown).
- d) Specified your business purpose so you can focus your efforts.
- e) Identified your patrons and their needs.

As you establish your marketing goals and objectives, address these items. Your goals and objectives should stress strengths and minimize weaknesses, reflect your business purpose, and satisfy your patrons' current and potential needs.

EXAMPLES

Goal: Establish a healthy cuisine program with existing facilities, equipment and staff to meet the needs of MWR patrons.

Objectives:

- * Establish cuisine and menu by January 31 at a cost not to exceed \$200.

-
- Initiate promotional campaign by September 20 using a mix of all available print and audio-visual media.
 - Consider discount pricing (two for one) or promotional "give-aways" to increase numbers of patrons by 10 percent within six months of program initiation.

Goal: Improve the image of the activity in order to increase family patronage.

Objectives:

- Train staff by October 10 how to handle rowdy or disruptive patrons.
- Institute changes in menu based on patron surveys by October 30.
- Promote new "family" program using indoctrination sessions, through base newsletters, direct mail, wives' club, and word-of-mouth.

WORKSHEET

List your goals and objectives.

Goal: _____

Objectives: _____

Goal: _____

Objectives: _____

Goal: _____

Objectives: _____

STEP 3: DETERMINE THE BEST MARKETING STRATEGY

Marketing strategy is the fundamental marketing logic by which the business unit intends to achieve its marketing objectives. Marketing strategy consists of a coordinated set of decisions on (a) target markets, (b) marketing mix, and (c) marketing expenditure level. Marketing strategy is the "game plan" by which you hope to "win." The three components of a marketing strategy are target markets, the best marketing mix, and competitive analysis.

a. Determine your target market.

A sound marketing strategy calls for giving different degrees of emphasis to the various market segments making up the population. These segments differ in their preferences, responses to marketing effort, and profitability. They differ in the degree to which an activity is able to produce satisfaction. Instead of going after all the market segments with equal fervor, you are smart to allocate your effort and energy to those market segments you can serve best; these segments are your target market.

Your population is defined as all active duty and retired military, reservists, their family members, and other eligible patrons, such as civilians who work on base. Your target market will depend on your type of activity. If you are the Junior Enlisted Club Manager, obviously your primary target market is the E1 - E5 market segment. You can develop your target market definition further, however, by considering what other population segments you serve. Who else frequently uses your facility? Do civilians for lunch, wives clubs for afternoon meetings, junior officer's for "wetting downs"? Whose needs can you best meet?

WORKSHEET

Describe your target market.

STEP 3: DETERMINE THE BEST MARKETING STRATEGY (cont.)**b. Develop the best marketing mix.**

The services and programs your activity offers are among the many offered at your installation. Some services and programs seem to go on forever; some last for just a short time. Some start strongly and then fade quickly; some start weakly and seem to get stronger with age. What are the factors that cause these differences? Can you predict, in advance, how your program will behave? Is there a "life cycle" for programs?

The answer is yes, although there is no single life cycle for each and every program, and not all programs go through every stage of the life cycle in the same way. From the initiation of a new program idea to the completion of the program, however, there are various steps. The program life cycle consists of four stages.

Stage I - Introduction: This is when a program idea is first considered for implementation. At this time, there should be extensive promotion of the activity to ensure initial participation. During this period a program's quality and patron satisfaction are top priority. Although the techniques shown below are considered essential throughout a program's life cycle, they are especially important during the introduction stage.

- (1) Establish a competitive advantage.
- (2) Position the program clearly. Emphasize rewards and end user benefits, such as enjoyment and relaxation.
- (3) Use the new program/concept name repetitively for reinforcement via copy, theme, story line, logos, jingles, etc.
- (4) Project a distinctive, individualistic personality and image.
- (5) Keep the message simple.
- (6) Generate consumer identification -- target market.

Stage II - Take Off: At this point most usage will come via word-of-mouth. It is extremely important that the quality, service, and value of the program be at its highest. Future growth stems directly from this period.

Stage III - Mature Stage: At this point, the activity has its highest number of participants, but may not continue to grow. Questions that need to be asked of management, staff, and consumers are:

- Is there a new way to offer the services? Is there a new way to use it as is? Are there other uses if modified?
- Can it be adapted? What else is like this? What other ideas does this suggest? What could we copy?
- Can it be modified? Given a new twist? Changed in color, meaning, motion, sound, odor, form, and shape? Are other changes possible?
- Can it be magnified? What should be added? More time? Greater frequency? Stronger? Higher? Longer? Shorter? Lighter? Omit something? Streamline? Split up?
- What can we substitute? Other ingredients? Other processes?
- Rearrange? Interchange components? Other patterns? Other layout? Transpose cause and effect? Change the pace? Change the schedule?
- Reverse it? Transpose positive and negative? Turn it backwards? Upside down? Reverse roles?
- Combine it? How about a blend? An assortment? An ensemble? Purposes?

Stage IV - Decline: This is the stage where it is important to decide whether to continue the program. If patrons aren't participating and a number of promotions have been tried, it may be in the best interest of the command to stop the program. Why waste valuable resources, such as money, time, and personnel for a program that serves so few.

As you analyze your programs' life cycle, asking these questions may help place your programs in their proper stage of the life cycle, and choose the appropriate overall approach to marketing those programs.

Is your program old and established or new and unknown? If you offer an established program, you are faced with a "positioning" challenge. You must position your program in a way that distinguishes it from your competition. A new program has its own natural position.

Is your program a long or short-lived program? An example of a long-term program would be Sunday brunch because it has "staying power" and will go on indefinitely. "Cajun" cooking is an example of a short-lived program which is not expected to go on indefinitely.

Is your program staying current? If your program areas and programming techniques or technology are changing, and you are not, you can count on losing some of your share of the market.

Who is your competition? Do you have one competitor or many? What is the likelihood of your having more competition in the future? Are you doing something to protect your position? Is everybody getting into the act? If so, your program may be maturing and your share of the market will decrease.

Is the market or target population growing or declining? In the food and hospitality businesses at large, the market has been growing.

How is the Marine Corps installation you are serving doing? If your installation is losing or gaining operational units or tenant commands/activities, you will see a corresponding decrease or increase in participation.

WORKSHEET

Determine the appropriate life cycle stage for each of your programs, and what you need to change to have the best programming mix.

Program, Stage, and Strategy_____

Program, Stage, and Strategy_____

Program, Stage, and Strategy_____

Program, Stage, and Strategy_____

STEP 3: DETERMINE THE BEST MARKETING STRATEGY (cont.)**C. Complete competitive analysis**

A knowledge of competitors is critical in designing effective marketing strategies. It is important to understand what the competition is doing even if you believe they are wrong. This does not imply that spy-like activities are needed, nor that a disproportionate amount of time should be spent investigating or worrying about the competitor.

The bulk of information needed about your competitors is normally available if you keep your business eyes and ears open and train members of your staff to do likewise. Several common sources of information about competitors follow.

- Newspaper Articles
- Company Literature. Available through sales information, franchise information, advertisements, public information releases, and other company publications.
- Individuals. Salespeople who call on competitors. Individuals who have recently left the employment of a competitor. Individuals you are interviewing who have experience in the field.
- Observation. By occasionally visiting your competitors' facilities, by acting as a prospective customer and by purchasing the products of your competitor (this can be fun.)
- The Competitor. Talk to your competitors. People like to talk about themselves and what their business is doing even though they know they are talking with a competitor.
- Other Employees.
- Friends and Relatives. Word-of-mouth is the best method. Talk to people who have been in contact with your competitors and will share information

with you about their experiences. This usually consists of complaints or compliments about your competitor's product/service.

Terms to Help You Analyze and Use Competitive Information.

Trends. A temporary price decrease by a competitor may mean little. A trend of consistently lowering prices could be very meaningful. For instance, it could indicate the operation is systematically lowering prices to gain market share and achieve greater chunks of the market. Consistently: lower prices could also mean the company is in deep trouble. Look for trends and seriously question what they mean.

Variances. Variances from normal procedures often indicate a troubled competitor. They may also be signs of test markets or new strategies.

Consistency. Consistency in marketing strategies is normally verified by trends that are long-run in nature and relatively free of deviations.

Shakeups in Management. Major shakeups in management are commonly followed by changes in policies and strategies. Watch for large-scale shakeups in management and anticipate change.

Financial Changes. A decline in earnings and poor financial ratios often precede changes in marketing strategies. Changes are most likely when negative or undesirable financial results have occurred.

Sudden and New Success. The "new kid on the block" is often the most dangerous. It is often tempting to dismiss a new competitor as a "flash in the pan" and overlook the fact that the customer is buying more from this new competitor than from you. You should logically and objectively examine your new competition and then decide how to counteract it.

WORKSHEET

Identify your competition, and their strengths and weaknesses.

Competitor: _____

Strengths: _____

Weaknesses: _____

Competitor: _____

Strengths: _____

Weaknesses: _____

WORKSHEET

Now that you have identified your target market and best marketing mix (based on your programs' life cycle stages), and completed a competitive analysis, you are ready to develop your marketing strategy. Taking into consideration this information, describe your strategy to improve.

- Cuisine and menu should be diversified to stimulate new interest among existing patrons and to capture new patrons. Assure the existing patron base that the traditional menu will not be discarded, but rather new alternatives will be offered. Promote awareness and acceptance of the program to all patrons.
- Drop live entertainment programs except for major entertainment events. Go to video/"super audio" type systems for routine entertainment nights. Use a DJ where appropriate. Contain costs, but continue to offer entertainment on base with a goal of "breaking even."
- Because of loss of market share and high demand from my target market, offer a Mexican food menu. Use "two-fers" as a price promotion to gain awareness and acceptance for the new menu. Price combination plates as an attractive alternative to the a-la-carte menu selection.

Marketing Strategy:_____

Marketing Strategy: _____

Marketing Strategy: _____

Marketing Strategy: _____

Marketing Strategy: _____

Marketing Strategy: _____

STEP 4: DEVELOP A PLAN OF ACTION

In the military, a plan of action (POA) is accomplished by using a mix of personnel, material, weapons, and their placement. In marketing terms, a POA is accomplished by using a mix of program, price, promotion, and service delivery.

Your POA should be centered around a program which allows your patrons the opportunity to satisfy their needs and wants. Your program can be a service, activity, facility, place, or idea.

Think of your program the way your patrons do. The physical elements of your program should be considered. These elements include the setting, quality and condition of your facilities, grounds, equipment, food, and entertainment. Do your patrons not participate in some programs because they do not like the atmosphere? Your management and staff are also part of your program. What do your patrons think of them? Does management and staff regularly talk to your patrons face-to-face? Are promises to patrons always kept, even if it means overtime?

You should consider variations in your program format. Some example variations would be: open dining, special events, special interest group functions, different types of services and menus. There may be new or different ways in which you can mix program participants, physical settings, relationships, and interactions among participants, to hold the interest of current patrons or attract new patrons.

To develop a POA, you must first define the program you intend to offer. It may be a new program, based on customer demand, or a revision to a current program. Next determine a timeline, the required budget, price to charge patrons, and how it will be promoted.

The price you establish for your program depends on a number of factors:

- What your patrons are willing to pay for the benefits they receive (how many will you attract or turn away at any given price for the level of benefits you provide to your patrons?)

-
- What your overall pricing philosophy is (do you have a policy of free dessert or non-alcoholic beverage for designated drivers?)
 - Your financial performance and profit goals (do you want to make money or break even?)

Patrons at different pay grades may have different amounts of disposable income to spend on your programs. As the perceived value of your programs increase so can price, to an extent, without loss of patrons. Revenues per patron may increase as price increases, but at some level of price, no patron may choose to participate. This is an example of the demand for your programs and services not being infinitely elastic to price.

An additional pricing idea is using discount pricing or "give-aways" -- price promotions -- to introduce your program. Discounts may cut revenues, but will stimulate demand and create awareness of your program. Choose a pricing approach to best suit your needs.

Managers should use a combination of historical participation trends and educated estimates when considering the potential success of various marketing promotions. The two key considerations are:

- the price charged for an event, and
- the estimation of attendance figures.

The price charged for an event or promotion should follow the same guidelines as for all other activity pricing (cost, profit, competition, market flexibility, popularity) and should also contain a contingency for cost increases. Attendance may fluctuate as to the time of the year, the weather, and the base occupancy. This too must be taken into account in all estimations.

Promotional efforts are most effective when a mix of tools is used. You have already determined the target audience for your program and your market position for each of these groups. You need to select the best promotional tools to reach these audiences.

You may have several programs or activities which are part of your marketing plan. For example, if you are the manager of a Club, you may have plans for bingo, Sunday brunch, Wednesday night DJ, etc. If this is your situation, you will want to take a final look at the marketing strategies you developed for each of your separate programs. Make sure that your marketing POA reflects the proper mix of program, price, and promotion elements.

WORKSHEET

Define your Plan of Action.

Example

Program: "Belly Up To The (Food) Bar"

Definition: This program will emphasize food items and low or non-alcoholic beverages to stimulate "happy hour" business, and include a wide variety of hot snacks and "finger foods".

POA: Improve sound system and add projection television set-up; develop capability to make and serve a wide variety of non-alcoholic drinks and stock "coolers", low-alcohol beer and other similar items. Train staff to be knowledgeable about new items, the designated driver program, and how to handle politely "problem" drinkers.

Timeline: Kick-off this Fall, 7 September

Budget: \$8,000 for the AV equipment, employee training, advertising, and new stock items.

Patron Price: Low-alcohol beer \$1.50; specialty drinks \$1.75 - \$3.00; food for free or \$.50 per pound during Happy Hour.

Promotion: Develop a theme (maybe "Belly Up to the Bar.") Print banners, posters, and tent cards for the tables and bar. Train staff in personal selling, training them to offer additional items to patrons and to help advertise by word-of-mouth. Actively solicit external sales -- go to civic and other organizations on base to invite them to Happy Hour.

WORKSHEET

Define your Plan of Action.

Program: _____

Definition: _____

POA: _____

Timeline: _____

Budget: _____

Patron Price: _____

Promotion: _____

Program: _____

Definition: _____

POA: _____

Timeline: _____

Budget: _____

Patron Price: _____

Promotion: _____

Program: _____

Definition: _____

POA: _____

Timeline: _____

Budget: _____

Patron Price: _____

Promotion: _____

Program: _____

Definition: _____

POA: _____

STEP 5: DETERMINE A BUDGET AND SET CONTROLS

Determining Your Budget

Your goals, strategies, and plan of action will help you formulate a supporting budget statement for your activity. The budget statement is essentially a projected profit and loss statement. On the revenue side, it shows the forecast number of units that would be sold and the average net profit. On the expense side, it shows the costs of production, physical distribution, and marketing, broken down into finer categories. The difference, or projected profit, is shown. Management reviews your budget, and once approved, the budget is the basis for material procurement, production scheduling, manpower planning, and marketing operations. You need to measure your progress toward achieving your marketing objectives. Progress should be measured at several levels along the way.

You will also have to make a decision on the dollar level of marketing expenditures. Even with an optimal marketing mix, a company may be spending too much or too little on marketing. Companies typically establish their marketing budget at some conventional percentage of the sales goal. Companies entering a new market have to spend a fairly high amount of marketing dollars in relation to anticipated sales in the hope of building their market share. Companies know that the more they spend on marketing, the higher their sales will be. They need to know their break-even point where sales equal costs, leaving a zero profit margin.

When formulating your marketing budget, give thought to the anticipated income and expenses of all marketing promotions and events planned for the year. Keep in mind that marketing is a continuous process. Marketing plans and promotions include not only the events themselves, but also the costs associated with ongoing marketing functions such as direct mail, research efforts, and other administrative costs associated with such activities.

Consider the following as you develop your marketing budget:

1. All proposals for marketing program expenditures should be required to show profit objectives before being included in the overall budget.

2. All proposals should contain supportive data on cost and revenue forecasts. The forecasts indicate from where supportive data was retrieved and where fluctuations can be anticipated.

3. The marketing budget should be reviewed on a quarterly basis so that progress and/or revisions can be made. Food and hospitality managers should review their marketing budget at the completion of each special promotion so that there is immediate feedback on forecasted versus actual figures.

4. All budgeting should be flexible enough to allow for tactical moves, if necessary. There may be times when a particular marketing promotion could use an extra "injection" of advertising dollars to promote sales. The budget should allow for this contingency.

Since managers are being asked to predict their marketing efforts over the course of a year, some review must be built into the budget. For instance, an entertainer may cancel an engagement and unless an adjustment is made, the anticipated profit will not be realized. This type of review should be planned quarterly.

Setting Controls

First, you need to know if you are accomplishing your objectives within budget. At least once a month you should compare your progress with your projected objectives.

You should monitor your progress, concentrating on the exceptions to your plan. Consider both good and bad exceptions for example, whether you are behind schedule, or under budget. The actions you take to deal with the exceptions should be written down.

After you measure your results, the success of your efforts will need to be determined. Some examples of measures of success are shown below. Review these, and then develop your own. Ask yourself, "How will I know if I have accomplished my goal and how will I ensure that my marketing efforts will enable me to maintain the program at a successful level?"

Measures Of Success

- Number of new faces gathering in your facility during the month.
- Patron satisfaction level from survey of patrons, such as 85 percent of patrons rate program "satisfactory" or better.
- Cost recovery of 60 percent compared with margin set in program objective.
- Number of patrons who enjoy special programs such as Happy Hour or Mexican entrees on the menu.

WORKSHEET

Complete the following form to help you determine your budget.

INCOME AND EXPENSE BREAKDOWN**Income:**

Sales:(Price per person x anticipated attendance) _____

Additional Food Sales: (If not included in cover charge)_____

Additional Beverage Sales: _____

Miscellaneous Income: (Donations, bingo, etc.) _____

Total Income _____

Expenses:

Entertainment: _____

Advertising/Promotion: _____

Labor Costs: _____

Food Costs: _____

Beverage Costs: _____

Miscellaneous: _____

1. _____

2. _____

3. _____

Total Expenses _____

Anticipated Profit: (Total income-Total Expenses) _____

STEP 6: DEVELOP AN EXECUTIVE SUMMARY

Your marketing plan should open with a short summary of the main goals and recommendations to be presented in the plan. The Executive Summary permits higher management to quickly grasp the main thrust of each plan and then read further in search of the information that is most critical in evaluating the plan. To facilitate this, a table of contents should follow the Executive Summary which is always the first printed sheet in your document.

Worksheet

Develop an Executive Summary, focusing on the highlights of your marketing plan.

We hope this NAVMC has provided you with insightful information to help you market your program and design an innovative marketing plan for your food and hospitality activity.

If you have any questions or wish further information concerning the suggestions or information contained in this NAVMC please contact us at (703)640-3800 or:

Morale, Welfare and Recreation Support Activity
Attn: Marketing Branch or
Food and Hospitality Branch
3044 Catlin Avenue
Quantico, VA 22134-5099